

**Minutes of the Commerce and Workforce Services Appropriations Subcommittee Meeting
June 12, 2008
Utah State Office Of Rehabilitation-
Division for the Blind and Visually Impaired**

Members Present: Sen. Jon J. Greiner, Co-Chair
Sen. Mark B. Madsen
Sen. Karen Mayne
Rep. Michael T. Morley, Co-Chair
Rep. Sylvia S. Andersen
Rep. James A. Dunnigan
Rep. Craig A. Frank
Rep. Lynn N. Hemingway
Rep. Mark A. Wheatley

Members Excused: Sen. Wayne L. Niederhauser
Rep. Larry B. Wiley

Staff Present: Danny Schoenfeld, Fiscal Analyst
Greta Rodebush, Secretary

Speakers Present: Don Uchida, Utah State Office of Rehabilitation
Bill Gibson, Division of Services for the Blind and Visually Impaired
Peter Anjwierden, Department of Commerce
Francine A. Giani, Department of Commerce
Ted Boyer, Public Service Commission
Julie P. Orchard, Public Service Commission,
Tomi Ossana, Department of Insurance
John Freeman, Department of Alcoholic Beverage Control
Dennis Kellen, Department of Alcoholic Beverage Control
Palmer Depaulis, Department of Community and Culture
Gerald Brown, Department of Workforce Services

A list of visitors and a copy of handouts are filed with the committee minutes.

1. Call to Order - Welcome

Co-Chair Greiner called the meeting to order at 8:20 am.

Don Uchida, Executive Director, Utah State Office of Rehabilitation, welcomed committee members and thanked Bill Gibson, Director, Division of Services for the Blind and Visually Impaired (DSBVI), for hosting the meeting.

Mr. Gibson introduced administrative staff and explained the many services available for the blind and visually impaired throughout Utah, with offices located in Salt Lake City (Main Office), Provo, Ogden, and St. George. Mr. Gibson invited committee members to tour the facility upon conclusion of the meeting and to have lunch provided by the Business Enterprise Program.

Co-Chair Greiner continued with the agenda items as outlined. He relinquished the chair to Co-Chair Morley.

2. Department of Commerce - Fee Schedule Overview

Francine Giani, Executive Director, Department of Commerce, gave a power point presentation on the Utah Department of Commerce's "Fee Schedule Management Process." She explained that the Department of Commerce licenses over 160 professional classifications each requiring a fee for licensure. The Department reviews fees annually for potential adjustments.

When new programs are created through legislation, a post session public fee hearing is held on proposed fee amounts for new programs. New fees are agreed upon and put into effect based on the effective date of new legislation.

All fee changes, new or existing, are submitted to LFA and GOPB. A Fee Schedule for the new fiscal year is then approved by the Legislature in the next General Session. Finally, agency fees for the new fiscal year are then charged as approved.

Ms. Giani responded to committee members' questions regarding fee assessments and the cost of providing services.

The committee discussed the windfall of Commerce Services Funds, approximately \$9 million, that lapse back into the General Fund.

Rep. Frank suggested that the committee resubmit to Executive Appropriations Committee a previous recommendation to lower fees or adjust fee increases that are more in line with the cost of doing business. Rep. Morley responded that he would be of in favor of doing this.

Rep. Anderson suggested that a member of the Executive Appropriations Committee be invited to attend subcommittee meeting discussions on fees. Rep. Morley stated that the invitation could be extended.

Ms. Giani also commented on the number of real estate regulators, identity fraud, and the controlled substance data base.

3. Public Service Commission - Report of Non-Lapsing Balances

Ted Boyer, Chairman, Public Service Commission, presented the report. He also informed the committee that a previously requested "Balanced Scorecard" had been distributed for their perusal.

Mr. Boyer expressed appreciation for the Legislature's willingness to grant the Public Service Commission non-lapsing authority. He pointed out that those funds come from the Public Utility Rate Authority Fund and not the General Fund.

Mr. Boyer responded to committee members' questions regarding natural gas price increases and the financial impact on households, the availability of fossil fuels and compressed natural gas for automobile use, and conservation incentives.

While natural gas prices are going up 30 - 50 percent, Utah has some of the lowest natural gas prices in the United States. Homeowners can expect to see their gas bills by \$20-\$25 a month. Conservation efforts are helping homeowners realize an estimated 40 percent savings in their monthly fuel bills.

Sen. Mayne stated that her constituents have expressed concern about the increasing costs of natural gas.

Mr. Boyer talked about the increasing demand for natural gas in automobiles. The committee discussed automobile conversions and tank leasing programs.

Mr. Boyer also responded to questions about the nonlapsing balances in the Speech and Hearing Impaired and the Universal Telecommunications Support Funds. Co-Chair Frank suggested that a periodic review of annual expenditures and available revenues may help with the management of excess funds.

Finally, Mr. Boyer commented on the balance scorecard and the need to inform customers about the causes and duration of major and non-major events, and rate changes.

Co-Chair Morley briefly commented on municipal utility companies.

Sen. Madsen clarified that the Public Service Commission has no oversight on municipal utility companies.

4. Department of Insurance - HIP Program Update

Tomi Ossana, Executive Director, Utah Department of Insurance presented the report: "Utah Comprehensive Health Insurance Pool (HIPUtah)," dated June 12, 2008. HIPUtah is a state-subsidized insurance pool that provides reasonable access to health insurance for Utahns with serious medical conditions and are considered uninsurable.

Ms. Ossana's overview included the role of HIPUtah, 2008-09 accomplishments, performance measures, and financial projections. She pointed out in her concluding remarks that HIPUtah is the insurance of last resort and covers the sickest of the sick. HIPUtah provides portability and protects the individual insurance market in the state of Utah. Because enrollment and claim costs continue to increase, the HIPUtah Board requests that the Legislature strongly consider its continued support in providing adequate funding to maintain actuarially-base reserves.

Ms. Ossana responded to questions regarding enrollment, guarantee issue, and subsidization in comparison to other states.

Rep. Frank asked about funding levels and projected operating losses over the next three years. Ms. Ossana explained that at the end of the FY 2012 it is projected that HIPUtah will be slightly above the six month reserve level. The HIPUtah Board is requesting that the base budget remain at \$10.8 million for FY 2010 through FY 2012.

5. DABC - Review of building projects and staffing requirements

Dennis Kellen, Executive Director, Department of Alcohol and Beverage Control, gave an overview of the DABC building projects and staffing requirements. John Freeman, Deputy Director, distributed the handout: "State Liquor Store Construction Summary."

Mr. Kellen explained that the construction process takes about two years to complete, followed by a request for FTE to staff those facilities. He indicated that in FY 2008-2009, DABC had requested 23 FTEs, but funding was not appropriated. In FY 2009-2010, an additional 34 FTE will be needed to staff the newly constructed stores.

Mr. Freeman highlighted each of the remodel and new construction projects. To date, DABC has been drawing on the Liquor Control Fund to meet staffing needs. The St. George store opened in December, 2007 and five more building projects will open by the end of June, 2008.

Co-Chair Morley asked for a time line on store openings and staffing needs so that a supplemental base budget request could be prepared and submitted.

Mr. Freeman further pointed out that the warehouse is at maximum capacity and that a request will be made to expand the existing facility.

Rep. Hemingway inquired about the cost of accommodating the additional inventory of flavored malt beverages in the warehouse. Mr. Freeman stated that he expects local distributors will hold that inventory in their warehouses until they are needed.

Co-Chair Morley reiterated that a supplemental budget request will be made.

6. Department of Workforce Services - Refugee Services

Palmer DePaulis, Director, Department of Community and Culture, gave a brief overview on the formation of the Refugee Services Office. An informational packet, entitled "Refugee Services Office" and dated June 12, 2009, was handed out. Included in the packet was a Summary of Recommendations prepared by the Refugee Working Group for improving and enhancing Utah's refugee resettlement system.

On November 8, 2007 Governor Jon Huntsman and Salt Lake County Mayor Peter Corroon announced the creation of the Refugee Services Office, within the Department of Workforce Services. A Board of Advisors was established within the Executive Department of Community and Culture to advise the Refugee Services Office, provide independent evaluation of refugee services and needs, and consider standards for services and recommendations.

Gerald Brown, Director, Refugee Services Office, Department of Workforce Services, explained the resettlement process. Approximately 70,000 refugees come to the United States every year. Utah sees about 800 new arrivals every year. Currently, there are about 25,000 refugees in Utah representing a diverse group of people from Africa, the Middle East, and South Asia. After five years, a refugee is eligible for citizenship and is no longer eligible for refugee federal services. Dr. Brown noted that there is a certain amount of refugee migration within the United States. Utah sees a fair amount of in-migration because of its economy and family friendly reputation.

Rep. Dunnigan inquired about medical care and vaccinations. Mr. Brown stated that refugees undergo thorough security and medical checks. They are checked first overseas and then during the first 30 days in the United States, they receive a medical screening and are inoculated.

Rep. Dunnigan asked what the federal government is doing to help refugees. Dr. Brown explained that during the first 30 days, the State Department provides aid for housing, food, schools, and medical care through local community organizations, such as the International Refugee Committee, and Catholic Community Services. Continuing services are then available through Health and Human Services and the coordinating efforts of the Refugee Services.

Rep. Dunnigan inquired further about ESL programs and if refugees are receiving food stamps and general assistance. Dr. Brown stated that ESL programs are available. During the first two months of resettlement, refugees receive cash assistance but are not entitled to general assistance. Refugees do receive food stamps but most look for work and do not want to be dependent on government programs.

Sen. Greiner expressed concern about a recommendation that emphasizes that state and local agencies be proactive in becoming culturally aware and adaptive to refugees. Mr. DePaulis pointed out that it is important that refugees be understood by the entities who provide them services.

Sen. Mayne pointed out that in her district, a number of these refugees are highly skilled and are able to acclimate to their new surroundings.

Dr. Brown explained that the Refugee Services Office will use the \$200,000 on-going funding to help refugee communities help themselves.

Mr. DePaulis noted that Rep. Chris Herrod had been instrumental in getting a bill passed that created a restricted fund for monies raised through foundations and the private sector.

Rep. Dunnigan asked about criminal activity and if the ease of receiving services plays a role in attracting refugees into Utah. Mr. Brown observed that criminal activity within the refugee populations is less than it is in the general population. He warned that youth who do not become engaged in school often get into trouble.

Rep. Anderson proposed that it might be easier for refugee children to attend a magnet school first before mainstreaming into the public school system. In this setting, teachers who are skilled in those languages could better accommodate the children. There may be the likelihood that these types of schools would emerge in communities where specific ethnic groups tend to gravitate.

Co-Chair Morley expressed his appreciation to those who participated in today's presentation and then turned the time over to Bill Gibson, who invited the subcommittee members and audience to join him for a tour of the facility and lunch.

The business portion of the meeting concluded about 11:00 a.m.